

**WHISPERING HEARTS FAMILY
SERVICE CENTRE ("WHFSC")**

[UEN No. T03SS0057]

[IPC Reg. No. IPC000082]

[Registered under the Registrar of Societies]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2010**

CONTENTS

Statement by Management Committee	2
Independent Auditors' Report	3
Statement of Financial Position	5
Statement of Financial Activities	6
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

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Certified Public Accountants
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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 19 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2010 and of its results of financial activities, the changes in funds and cash flows of the Society for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

07 MAR 2011

President	Lim Yin Yee Jenny
Vice President	Lau Li Eng Pauline
Honorary Secretary	Tham Khuan Heng
Honorary Treasurer	Chia Eng Soon
Committee Member	Ho Kok Pooi Han
Committee Member	Ng Kok Heng Alan
Committee Member	Yap Kian Watt Steven
Committee Member	Lien Soh Cheng

For and on behalf of
WHISPERING HEARTS FAMILY SERVICE CENTRE ("WHFSC"),



Chia Eng Soon
Honorary Treasurer

Singapore, **07 MAR 2011**

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Independent auditors' report to the members of:

WHISPERING HEARTS FAMILY SERVICE CENTRE ("WHFSC")

[UEN No. T03SS0057]
[Charity Reg. No. 1705]
[IPC Reg. No. IPC000082]
[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

We have audited the financial statements of WHISPERING HEARTS FAMILY SERVICE CENTRE ("WHFSC"; the "Society") for the financial year ended 31 December 2010 as set out on pages 5 to 19, which comprise the statement of financial position as at 31 December 2010, the statement of financial activities, the statement of changes in funds, and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Committee's Responsibility for the Financial Statements

The members of the Management Committee are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards. This responsibility includes:

- a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statement of financial positions and to maintain accountability of assets;
- b) selecting and applying appropriate accounting policies; and
- c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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(CONT'D)

Independent auditors' report to the members of:

WHISPERING HEARTS FAMILY SERVICE CENTRE ("WHFSC")

[UEN No. T03SS0057]

[Charity Reg. No. 1705]

[IPC Reg. No. 0082]

[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements of the Society are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to present fairly the state of affairs of WHISPERING HEARTS FAMILY SERVICE CENTRE ("WHFSC") as at 31 December 2010, and the results of the financial activities, the changes in funds and cash flows of the Society for the financial year ended on that date; and
- (b) the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Society have been properly kept in accordance with those regulations.

Report on other legal and regulatory requirement

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008; has been exceeded.


Fiducia LLP
Certified Public Accountants

Singapore, 07 MAR 2011

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	WHFSC S\$	WHSCC S\$	2010 Total S\$	2009 Total S\$
ASSETS					
Current assets					
Cash and cash equivalents	3	1,770,482	19,440	1,789,922	1,163,894
Other receivables	4	<u>3,485</u>	<u>146,337</u>	<u>149,822</u>	<u>109,663</u>
		1,773,967	165,777	1,939,744	1,273,557
Non-current assets					
Property, plant and equipment	6	68,016	13,253	81,269	111,876
Total assets		<u>1,841,983</u>	<u>179,030</u>	<u>2,021,013</u>	<u>1,385,433</u>
LIABILITIES					
Current liabilities					
Other payables	5	185,243	28,315	213,558	126,789
NET ASSETS		<u>1,656,740</u>	<u>150,715</u>	<u>1,807,455</u>	<u>1,258,644</u>
FUNDS					
Restricted					
Government capital funding	7	48,794	12,042	60,836	18,063
Unrestricted					
Accumulated fund	8	<u>1,607,946</u>	<u>138,673</u>	<u>1,746,619</u>	<u>1,240,581</u>
		<u>1,656,740</u>	<u>150,715</u>	<u>1,807,455</u>	<u>1,258,644</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	WHFSC S\$	WHSCC S\$	2010 Total S\$	2009 Total S\$
INCOMING RESOURCES					
<u>Voluntary income</u>					
Amortisation of capital grant		12,199	6,021	18,220	6,021
Donation - tax exempt		3,250	0	3,250	0
Donation - non tax exempt		380,898	10,285	391,183	306,291
Government funding					
- Recurrent		595,066	0	595,066	358,412
- Programme		107,546	8,100	115,646	325,654
		<u>1,098,959</u>	<u>24,406</u>	<u>1,123,365</u>	<u>996,378</u>
<u>Incoming resources from charitable activities</u>					
Counselling fees		4,400	0	4,400	4,805
Miscellaneous fees		7,467	28,354	35,821	30,499
Programme fees		67,758	0	67,758	41,169
School fees		0	288,690	288,690	234,706
		<u>79,625</u>	<u>317,044</u>	<u>396,669</u>	<u>311,179</u>
<u>Other income resources</u>					
Interest income		5,448	0	5,448	6,289
Job credit		6,665	2,932	9,597	46,416
		<u>12,113</u>	<u>2,932</u>	<u>15,045</u>	<u>52,705</u>
TOTAL INCOMING RESOURCES		<u>1,190,697</u>	<u>344,382</u>	<u>1,535,079</u>	<u>1,360,262</u>
LESS: EXPENDITURE					
<u>Cost of charitable activities</u>					
Activities and events		25,113	1,944	27,057	39,785
Catered lunch		0	39,033	39,033	34,261
Courses and training		6,365	198	6,563	2,058
Donations		21	50,000	50,021	150,000
Publicity materials		4,976	2,488	7,464	7,767
Rental of equipment		2,996	1,746	4,742	5,939
Rental of premises		6,305	4,250	10,555	10,537
Supplies and materials		3,071	4,475	7,546	9,930
Utilities		14,029	2,875	16,904	14,622
		<u>62,876</u>	<u>107,009</u>	<u>169,885</u>	<u>274,899</u>
<u>Governance and other admin costs</u>					
Auditors' remuneration					
- Current year		2,000	800	2,800	2,800
- Under provision in prior year		0	0	0	680
Contract service		6,000	0	6,000	6,000
Depreciation	6	23,662	6,945	30,607	19,849
Insurance		3,316	1,598	4,914	3,938
Maintenance		1,504	521	2,025	9,166
Miscellaneous expenses		0	0	0	399
Postage and courier		356	12	368	43
Printing and stationery		304	174	478	137
Professional fee		49,180	10,000	59,180	58,375
Telecommunications		6,176	1,525	7,701	6,662
Transport		234	0	234	71
		<u>92,732</u>	<u>21,575</u>	<u>114,307</u>	<u>108,120</u>
<u>Finance</u>					
Bank charges		30	0	30	70

Whispering Hearts Family Service Centre ("WHFSC")

[UEN No. T03SS0057]
[IPC Reg. No. IPC000082]

Audited Financial Statements
Year Ended 31 December 2010

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010
(CONT'D)**

	Note	WHFSC S\$	WHSCC S\$	2010 Total S\$	2009 Total S\$
<u>Staffing costs</u>					
Defined contribution plan		66,942	19,640	86,582	80,540
Salaries and bonus		497,648	149,003	646,651	571,551
Staff recruitment		30	79	109	0
Staff welfare		9,657	1,820	11,477	3,325
		<u>574,277</u>	<u>170,542</u>	<u>744,819</u>	<u>655,416</u>
TOTAL EXPENDITURE		729,915	299,126	1,029,041	1,038,505
SURPLUS BEFORE INCOME TAX		460,782	45,256	506,038	321,757
Less: Provision for taxation	10	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SURPLUS AFTER INCOME TAX		460,782	45,256	506,038	321,757
ACCUMULATED SURPLUS B/F		1,147,164	93,417	1,240,581	918,824
ACCUMULATED SURPLUS C/F		<u>1,607,946</u>	<u>138,673</u>	<u>1,746,619</u>	<u>1,240,581</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	<u>Restricted</u> Government Capital Funding S\$	<u>Unrestricted</u> Accumulated Fund S\$	Total Funds S\$
2010				
Balance at beginning of year		18,063	1,240,581	1,258,644
Additional funding received	7	60,993	0	60,993
Amortization	7	(18,220)	0	(18,220)
Surplus for the year		0	506,038	506,038
Balance at end of year		<u>60,836</u>	<u>1,746,619</u>	<u>1,807,455</u>

	Note	<u>Restricted</u> Government Capital Funding S\$	<u>Unrestricted</u> Accumulated Fund S\$	Total Funds S\$
2009				
Balance at beginning of year		24,084	918,824	942,908
Amortization	7	(6,021)	0	(6,021)
Surplus for the year		0	321,757	321,757
Balance at end of year		<u>18,063</u>	<u>1,240,581</u>	<u>1,258,644</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	2010 S\$	2009 S\$
Cash flows from operating activities			
Net surplus for the year		506,038	321,757
Adjustments for :			
- Amortization of government capital funding		(18,220)	(6,021)
- Depreciation of plant & equipment	6	30,607	19,849
- Interest income		(5,448)	(6,289)
Operating cash flow before working capital changes		512,977	329,296
Change in working capital:			
- Other receivables		(40,159)	68,975
- Other payables		86,769	(115,451)
Net cash provided by operating activities		<u>559,587</u>	<u>282,817</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	6	0	(103,285)
Interest received		5,448	6,289
Net cash provided by /(used in) investing activities		<u>5,448</u>	<u>(96,996)</u>
Cash flows from financing activities			
Proceeds from government capital funding		60,993	0
Net cash provided by financing activities		<u>60,993</u>	<u>0</u>
Net increase in cash and cash equivalents		626,028	185,824
Cash and cash equivalents at beginning of financial year		1,163,894	978,070
Cash and cash equivalents at end of financial year	3	<u>1,789,922</u>	<u>1,163,894</u>
Cash and cash equivalents comprise:			
Cash on hand		1,200	1,200
Cash at bank		168,534	67,953
Fixed deposits		1,620,188	1,094,741
	3	<u>1,789,922</u>	<u>1,163,894</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Whispering hearts Family Service Centre ("the Society" or "WHFSC") was registered on 21 March 2003 under the Societies Act [Chapter 311]. The Society became a charity registered under the Charities Act on 8 July 2003. The Society is granted Institute of Public Character ('IPC') status for the period from 1 April 2009 to 30 September 2012.

The principal activities of WHFSC are to promote and strengthen the social well-being of the family. In this regard, it supports families in sustaining family strength through a range of remedial, preventive and developmental programmes including counselling, family oriented programmes and school-based social services and care and assistance to families under the HOPE Scheme.

The principal place of WHFSC is situated at Blk 646 Jurong West St 61, #01-142, Singapore 640646.

Whispering Hearts Student Care Centre ("WHSCC") is a community project of WHFSC, whose principal activity is to provide an alternate form of day-care arrangement for school-going children aged 7 to 14 years during before and after school hours.

The principal place of WHSCC is situated at Blk 617 Jurong West St 65 #01-488, Singapore 640617.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

These financial statements are presented in Singapore Dollar, which is the Society's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interpretations and amendments to published standards effective in 2010

On 1 January 2010, the Society has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Society's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Society:

<u>FRS</u>	<u>Effective Date</u>	<u>Title</u>
FRS 1	1.1.2009	Presentation of financial statements
FRS 7	1.1.2009	Cash flow statements
FRS 8	1.1.2009	Accounting policies, changes in accounting estimates and errors
FRS 10	1.1.2007	Events after the balance sheet date
FRS 16	1.1.2009	Property, plant and equipment
FRS 17	1.1.2007	Leases
FRS 18	1.1.2005	Revenue
FRS 19	1.1.2009	Employee benefits
FRS 24	1.1.2006	Related party disclosures
FRS 32	1.2.2009	Financial instruments : Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2005	Financial instruments: recognition and measurement
FRS 107	1.1.2009	Financial instruments: Disclosures

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Society's activities. Revenue is recognised as follows:

2.2.1 Government grants

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

2.2.2 Government grants related to assets

Government grants related to assets are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

2.2.3 Donations

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognized as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Revenue recognition

2.2.4 Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction is recognized by reference to the stage of completion of the transaction at the statement of financial position date.

2.2.5 Interest income

Revenue arising from the use by others of society assets yielding interest is recognized on a time proportion basis that takes into account the effective yield on the assets when it is probable that the economic benefits associated with the transactions will flow to the entity and the amount of the revenue can be measured reliably.

2.3 Property, plant and equipment

2.3.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful Life
Computer	3 years
Furniture and fittings	3 years
Office equipment	3 years
Renovation	5 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.3.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

2.4 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if; there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2.5 Financial assets

2.5.1 Classification

The Society classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are classified within "other receivables" and "cash and cash equivalents" on the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial assets (Cont'd)

2.5.2 Recognition and derecognition

Usual purchases and sales of financial assets are recognized on trade-date – the date on which the Society commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership. On disposal sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is also taken to the statement of comprehensive income.

2.5.3 Initial Measurement

Financial assets are initially recognized at fair value plus transaction costs.

2.5.4 Subsequent Measurement

Loan and receivables are subsequently carried at amortized cost using the effective interest method.

2.5.5 Impairment

The Society assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired.

An allowance for impairment of loans and receivables including other receivables, is recognized when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognized in prior periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

2.7 Other payables

Other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.8 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.9 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognized as an expense in the income statement in the financial year in which they are incurred.

2.10 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the statement of financial position date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial activities.

2.11 Employee compensation

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expense when they are due. Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institution.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Related parties

Related parties are entities with one or more common management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

3. Cash and cash equivalents

Cash and cash equivalents are denominated in Singapore dollar and consist of fixed deposits, cash on hand and balance with banks as follows:

	2010 S\$	2009 S\$
Cash on hand	1,200	1,200
Cash at bank	168,534	67,953
Fixed deposits with a financial institution	<u>1,620,188</u>	<u>1,094,741</u>
	<u>1,789,922</u>	<u>1,163,894</u>

The Society has an arrangement with Viriya Community Services to have a single fixed deposit account amounting to \$1,620,188 (2009: \$1,094,741) in the name of Viriya Community Services, with a financial institution in order for both parties to maximise their returns from the placement of funds.

4. Other receivables

	2010 S\$	2009 S\$
Deposits	3,884	3,324
Other receivables	<u>145,938</u>	<u>106,339</u>
	<u>149,822</u>	<u>109,663</u>

Based on historical default rates, the management committee believes that no impairment allowance was necessary in respect of deposits and other receivables. The receivables are mainly due from customers that have a good record with the Society.

At the date of the statement of financial position, the carrying amounts of other receivables approximated their fair values.

5. Other payables

	2010 S\$	2009 S\$
Accrued audit fee	2,800	2,800
Deposits received	27,215	25,870
Other payables	<u>183,543</u>	<u>98,119</u>
	<u>213,558</u>	<u>126,789</u>

At the date of the statement of financial position, the carrying amounts of other payables approximated their fair values.

6. Property, plant and equipment

	Office equipment and computer S\$	Furniture & fixtures S\$	Renovation S\$	Total S\$
2010				
Cost				
Beginning of year	21,796	3,908	115,956	141,660
Additions	0	0	0	0
Disposals	0	(2,708)	0	(2,708)
Ending balance	21,796	1,200	115,956	138,952
Accumulated depreciation				
Beginning balance	3,949	3,759	22,076	29,784
Depreciation charges	7,139	149	23,319	30,607
Written back/off	0	(2,708)	0	(2,708)
End of year	11,088	1,200	45,395	57,683
Net book value at end of financial year	10,708	0	70,561	81,269

	Office equipment and computer S\$	Furniture & fixtures S\$	Renovation S\$	Total S\$
2009				
Cost				
Beginning of year	90,575	31,822	474,612	597,009
Additions	21,416	0	81,869	103,285
Disposals	(90,195)	(27,914)	(440,525)	(558,634)
Ending balance	21,796	3,908	115,956	141,660
Accumulated depreciation				
Beginning balance	90,302	30,954	447,313	568,569
Depreciation charges	3,942	719	15,288	19,849
Written back/off	(90,195)	(27,914)	(440,525)	(558,634)
End of year	3,949	3,759	22,076	29,784
Net book value at end of financial year	17,847	149	93,880	111,876

7. Restricted fund - Government capital funding

	WHFSC S\$	WHFSCC S\$	2010 Total S\$	2009 Total S\$
Amount of funding	358,558	140,520	499,078	438,085
Less: Amount relating to expired terms	(297,565)	(110,415)	(407,980)	(407,980)
	<u>60,993</u>	<u>30,105</u>	<u>91,098</u>	<u>30,105</u>
Less: Amortisation				
- Balance at beginning of year	297,565	122,457	420,022	414,001
- Less: Amount relating to expired terms	(297,565)	(110,415)	(407,980)	(407,980)
- Current year	12,199	6,021	18,220	6,021
Balance at end of year	12,199	18,063	30,262	12,042
	<u>48,794</u>	<u>12,042</u>	<u>60,836</u>	<u>18,063</u>

8. Unrestricted Fund - Accumulated surplus

It is the Society's desire to build up a reserve of unrestricted funds to meet five years' operating expenditure.

9. Related party transactions

None of the key staff received annual remuneration of \$100,000 and above during the year (2009: NIL).

Members of the management committee are volunteers and none received any remuneration or reimbursement during the year (2009: NIL).

10. Taxation

The Society is a charity registered under the Charities Act since 8 July 2003. Consequently, the income of the Society is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

11. Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the management committee on an informal basis.

(i) Liquidity risk

The Society manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the management committee to fund the Society's operations.

11. Financial risk management (Cont'd)

(ii) Credit risk

The Society has minimal exposure to credit risks due to the nature of its activities.

(iii) Interest rate risk

The Society's policy is to obtain the most favourable interest rates available in the market.

Surplus funds are placed with reputable banks.

(iv) Foreign currency risk

The Society does not engage in trading of or speculation in foreign currencies and does not have any financial instruments that are exposed to significant foreign currency risks.

The responsibility for managing the above risks is vested in the Management Committee.

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values.

12. Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation.

13. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on

07 MAR 2011